

**ADMINISTRATION OF GAMBLING ON
TRACKS LIMITED**

Report and Financial Statements

31 December 2009



ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mrs T Barlow (Chairman)
M Fogerty
B Johnson
K Johnson
S Winfield
A Styles
R Grossmith

SECRETARY

P Smith

REGISTERED OFFICE

3A King's Hall
St Ives Business Park
St Ives
Cambridgeshire
PE27 4WY

BANKERS

HSBC Bank plc
89 Buckingham Palace Road
Belgravia
London SW1W 0QL

SOLICITORS

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

ACTIVITIES

The company's principal activity is the administration of on-course betting rings at all meetings held at horse racecourses in Great Britain

REVIEW OF DEVELOPMENTS

The directors report a surplus for the year and expect to report a breakeven position for the forthcoming year

Negotiations with The Racecourse Association regarding the provision of betting administration services were concluded in July 2009 whereby a service contract was signed appointing AGT as the administrator of betting rings until September 2012

AGT has fulfilled its contractual obligations with regards to betting ring administration and regularly provides updates and reports to the RCA

DIRECTORS

The directors who served during the year and subsequent to the year end are as follows

Mrs T Barlow (Chairman)

M Campbell (appointed 29 January 2009, resigned 24 July 2009)

M Fogerty

R Grossmith

B Johnson (appointed 15 September 2009)

K Johnson

A Styles

S Winfield

M Williams (resigned 29 January 2009)

The company is limited by guarantee and does not have share capital. In the event of the company being wound up, each member has guaranteed to contribute £1. At 31 December 2009 and 31 December 2008 there were 7 members, comprising 2 members from the National Association of Bookmakers, 2 members from the Rails Bookmakers Association, 1 member from the Association of Racecourse Bookmakers and 2 independent members, Mrs T Barlow and S Winfield

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board on 13 APRIL 2010



P Smith
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

We have audited the financial statements of Administration of Gambling on Tracks Limited for the year ended 31 December 2009 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADMINISTRATION
OF GAMBLING ON TRACKS LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

AJ, Swarbrick

Andrew Swarbrick BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge, United Kingdom

24 September 2012

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

INCOME AND EXPENDITURE ACCOUNT

Year ended 31 December 2009

	Note	2009 £	2008 £
INCOME	2	1,039,791	888,024
Cost of operations		<u>423,590</u>	<u>479,162</u>
Gross surplus		616,201	408,862
Administrative expenses	3	<u>374,680</u>	<u>442,044</u>
OPERATING SURPLUS (DEFICIT)	5	241,521	(33,182)
Interest receivable and similar income		<u>111</u>	<u>1,996</u>
SURPLUS (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		241,632	(31,186)
Tax on surplus (deficit) on ordinary activities	6	<u>(23)</u>	<u>(414)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		241,609	(31,600)
Retained surplus brought forward		<u>33,457</u>	<u>65,057</u>
Retained surplus carried forward		<u><u>275,066</u></u>	<u><u>33,457</u></u>

All activities derive from continuing operations

There are no recognised gains or losses for the current financial year and the preceding financial year other than as stated in the income and expenditure account. Accordingly no statement of total recognised gains and losses has been provided.

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

BALANCE SHEET 31 December 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	7	<u>58,714</u>	<u>29,270</u>
CURRENT ASSETS			
Debtors	8	113,917	121,146
Cash at bank and in hand		<u>258,209</u>	<u>94,560</u>
		372,126	215,706
CREDITORS: amounts falling due within one year	9	<u>155,774</u>	<u>211,519</u>
NET CURRENT ASSETS		<u>216,352</u>	<u>4,187</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>275,066</u>	<u>33,457</u>
RESERVES			
Income and expenditure account	10	<u>275,066</u>	<u>33,457</u>

The financial statements of Administration of Gambling on Tracks Limited, registered number 3595282, were approved by the Board of Directors and authorised for issue on **13 APRIL 2010**

Signed on behalf of the Board of Directors



Mrs T A Barlow
Director

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

CASH FLOW STATEMENT Year ended 31 December 2009

	Note	£	2009 £	2008 £
Net cash inflow from operating activities	A		276,584	15,982
Returns on investments and servicing of finance				
Interest received		111	1,996	
Net cash inflow from returns on investments and servicing of finance			111	1,996
Taxation			(414)	(3,748)
Capital expenditure and financial Investment				
Payments to acquire tangible fixed assets		(59,932)	(11,995)	
Receipts from sales of tangible fixed assets		17,300	-	
Net cash outflow from capital expenditure and financial investment			(42,632)	(11,995)
Net cash inflow before use of liquid resources			233,649	2,235
Management of liquid resources				
Movement in short term deposits		-	-	
(Decrease) increase in cash from loans		(70,000)	45,000	
Net cash (outflow) inflow from management of liquid resources			(70,000)	45,000
Increase in cash in the year	B		163,649	47,235
Reconciliation of net cash flow to movement in net funds	B			
Increase in cash in the year			163,649	47,235
Cash flow from increase in loans			70,000	(45,000)
Movement in net funds in year			233,649	2,235
Net funds at 1 January			24,560	22,325
Net funds at 31 December	B		258,209	24,560

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

NOTES TO THE CASH FLOW STATEMENT

Year ended 31 December 2009

A. RECONCILIATION OF OPERATING SURPLUS (DEFICIT) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating surplus (deficit)	241,521	(33,182)
Depreciation	24,105	80,816
Profit on sale of tangible fixed assets	(10,917)	-
Decrease (increase) in debtors	7,229	(9,898)
Increase (decrease) in creditors	14,646	(21,754)
	<u>276,584</u>	<u>15,982</u>
Net cash inflow from operating activities	<u><u>276,584</u></u>	<u><u>15,982</u></u>

B. ANALYSIS OF NET FUNDS

	At 31 December 2008 £	Cash flows £	At 31 December 2009 £
Cash at bank and in hand	94,560	163,649	258,209
Loans	(70,000)	70,000	-
	<u>24,560</u>	<u>233,649</u>	<u>258,209</u>
Net funds	<u><u>24,560</u></u>	<u><u>233,649</u></u>	<u><u>258,209</u></u>

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

Following the signing of the service contract with the 60 individual horse racecourses, the company believes that its future is adequately secure to continue as a going concern.

The company reported a strong trading performance during 2009 which has significantly strengthened its net asset position which, along with conservative forecast projections, stand the company in a good stable position to manage its business risks successfully despite the current uncertain economic outlook and challenging trading conditions currently being encountered by racecourse bookmakers.

The directors continue to review the financial performance of the company to ensure it is adequately funded whilst being mindful of the fees and charges made to racecourse bookmakers.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence until at least September 2012. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Tangible assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Computers, fixtures and fittings	33 1/3% per annum
Motor vehicles	33 1/3% per annum

Leases

Operating lease rentals are charged to the income and expenditure account as incurred.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

The company pays pension contributions into a group personal pension scheme of employees. Contributions are charged to the profit and loss account as they become payable.

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

2. INCOME

Income represents amounts derived from the provision of services which fall within the company's ordinary activities after deduction of value added tax

The income, which arises in the United Kingdom, is attributable to the company's principal activity

	2009 £	2008 £
Pitch administration fees	664,970	631,070
Registration fees	19,900	-
List position fees	313,560	155,397
Other income	41,361	101,557
	<u>1,039,791</u>	<u>888,024</u>

3. ADMINISTRATIVE EXPENSES

	2009 £	2008 £
Office	302,303	332,147
Establishment	25,866	40,961
General	46,511	68,936
	<u>374,680</u>	<u>442,044</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2009 £	2008 £
Independent directors' remuneration		
Emoluments	<u>22,000</u>	<u>20,166</u>
	Number	Number
Average number of persons employed		
Council members	2	2
Field staff	6	6
Administration	6	7
	<u>14</u>	<u>15</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	450,923	472,466
Social security costs	49,927	50,130
Pension costs	37,647	42,511
	<u>538,497</u>	<u>565,107</u>

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

No pension contributions were paid on behalf of directors

The directors who received remuneration during the year were T A Barlow and S W H Winfield

A small team of freelance betting ring managers was also employed on a daily basis when the number of fixtures exceeded the number of field staff

5. OPERATING SURPLUS (DEFICIT)

	2009	2008
	£	£
Operating surplus (deficit) is after charging (crediting):		
Depreciation		
Owned assets	24,105	80,816
Profit on disposal of fixed assets	(10,917)	-
Rentals under operating leases	14,949	22,229
Auditors' remuneration	2,500	5,500
	<u> </u>	<u> </u>

6. TAX ON SURPLUS (DEFICIT) ON ORDINARY ACTIVITIES

	2009	2008
	£	£
United Kingdom corporation tax charge for the year	23	414
	<u> </u>	<u> </u>

The company has agreed mutual trading status with the Inland Revenue and is therefore chargeable to corporation tax only on its investment income

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 21% (2008 - 21%)
The actual tax charge for the current and previous year differs to the standard tax rate for the reasons set out in the following reconciliation

	2009	2008
	£	£
Surplus (deficit) before taxation	241,632	(31,186)
	<u> </u>	<u> </u>
Tax on surplus (deficit) at standard rate	50,743	(6,549)
Factors affecting charge for the year (Surplus) deficit not assessable to tax due to mutual trading status of company	(50,720)	6,968
Change in tax rate	-	(5)
	<u> </u>	<u> </u>
Current tax charge for the year	23	414
	<u> </u>	<u> </u>

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

7. TANGIBLE ASSETS

	Computers, fixtures and fittings £	Motor vehicles £	Standard joints £	Total £
Cost				
At 1 January 2009	105,499	103,926	1,609,470	1,818,895
Additions in year	8,811	51,121	-	59,932
Disposals	(34,389)	(73,609)	(1,609,470)	(1,717,468)
At 31 December 2009	<u>79,921</u>	<u>81,438</u>	<u>-</u>	<u>161,359</u>
Depreciation				
At 1 January 2009	100,979	91,942	1,596,704	1,789,625
Charge in year	4,519	13,203	6,383	24,105
Depreciation on disposals	(34,389)	(73,609)	(1,603,087)	(1,711,085)
At 31 December 2009	<u>71,109</u>	<u>31,536</u>	<u>-</u>	<u>102,645</u>
Net book value				
At 31 December 2009	<u>8,812</u>	<u>49,902</u>	<u>-</u>	<u>58,714</u>
At 31 December 2008	<u>4,520</u>	<u>11,984</u>	<u>12,766</u>	<u>29,270</u>

8. DEBTORS

	2009 £	2008 £
Trade debtors	92,585	92,019
Other debtors	7,056	16,846
Prepayments and accrued income	14,276	12,281
	<u>113,917</u>	<u>121,146</u>

All amounts are due within one year

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	42,073	32,640
Corporation tax	23	414
Other taxation and social security	34,239	36,774
Accruals and deferred income	79,439	71,691
Loan	-	70,000
	<u>155,774</u>	<u>211,519</u>

The loan was repayable on demand. It is unsecured and interest free.

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

10. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2009 £	2008 £
Surplus (deficit) attributable to members of the company	241,609	(31,600)
Opening members' funds	<u>33,457</u>	<u>65,057</u>
Closing members' funds	<u><u>275,066</u></u>	<u><u>33,457</u></u>

11. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 December 2009 the company was committed to making the following payments during the next year in respect of operating leases

	Land and buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Leases which expire Within one year	<u>15,000</u>	<u>15,000</u>	<u>3,960</u>	<u>3,960</u>

12. PENSION SCHEMES

The company operates a defined contribution retirement benefit scheme. The pension cost for the company for the year amounted to £37,647 (2008 - £42,511). There were no outstanding pension contributions at the year end.

13. CALLED UP SHARE CAPITAL

The company is limited by guarantee and does not have share capital. Consequently, there are no disclosable interests in share capital. In the event of the company being wound up, each member has guaranteed to contribute £1. At 31 December 2009 and 31 December 2008 there were 7 members, comprising 2 members from the National Association of Bookmakers, 2 members from the Rails Bookmakers Association, 1 member from the Association of Racecourse Bookmakers and 2 independent members, Mrs T Barlow and S Winfield.